

Message Text

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PAGE 01 ISTANB 02509 150654Z
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C O N F I D E N T I A L ISTANBUL 2509

E.O. 11652: GDS
TAGS: PINT, TU
SUBJ: ISTANBUL VIEW OF ECEVIT GOVERNMENT

SUMMARY: LEADING ISTANBUL INDUSTRIALIST REFLECTS PESSIMISM
FELT HERE IN SOME CIRCLES, PARTICULARLY BUSINESS COMMUNITY,
ABOUT ECEVIT GOVERNMENT'S AVILITY TO COPE WITH TURKEY'S PRESSING
ECONOMIC AND SECURITY PROBLEMS. END SUMMARY.

1. ALTHOUGH WE BELIEVE SUPPORT FOR PRIME MINISTER ECEVIT REMAINS
STRONG IN ISTANBUL, JUDGING FROM OUR CONTACTS WE PERCEIVE SOME
DISENCHANTMENT WITH ECEVIT AND A GENERAL LOWERING OF EXPECTATIONS
FROM THIS GOVERNMENT. EVEN THE MOST FANATIC ECEVIT FANS ARE
WAKING UP TO THE FACT THAT THE DIMENSIONS OF TURKEY'S ECONOMIC
AND POLITICAL VIOLENCE PROBLEMS ARE SUCH THAT THEIR SOLUTIONS ARE
BEYOND THEIR MAN'S REACH FOR THE IMMEDIATE FUTURE. AMONG
ISTANBUL POLITICAL INDEPENDENTS, WHO VOTED RPP BY THE DROVES,
WE NOTE CONSIDERABLE DISILLUSIONMENT WITH ECEVIT, ALTHOUGH THEY
STILL FIND NO POLITICAL ALTERNATIVE ON THE HORIZON. PESSIMISM
IS PERHAPS MOST PRONOUNCED IN THE ISTANBUL BUSINESS COMMUNITY,
WHICH IS SOPHISTICATED ENOUGH TO ANTICIPATE TURKEY'S UNHAPPY
ECONOMIC FUTURE AND IS DEEPLY CONCERNED BY CONTINUED VIOLENCE.
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PAGE 02 ISTANB 02509 150654Z

INDICATIVE OF THIS ATTITUDE ARE VIEWS GIVEN THE CONSUL GENERAL
RECENTLY BY A PROMINENT INDUSTRIALIST. WELL-INFORMED ON BOTH
POLITICAL AND ECONOMIC ISSUES, HE IS A FRIEND OF ECEVIT, WITH
WHOM HE RECENTLY EXCHANGED VIEWS, AND KNOWS FORMER PRIME
MINISTER DEMIREL WELL.

2. HE WAS PESSIMISTIC AS TO THE IMMEDIATE FUTURE. AFTER

REVIEWING THE MATHEMATICS OF TURKEY'S FOREIGN EXCHANGE POSITION, HE MAINTAINED THAT, WITH ALL FORESEEABLE ASSISTANCE, TURKEY WOULD END 1978 AT LEAST A BILLION DOLLARS IN DEFICIT. ACCORDING TO HIM, AT A MINIMUM, FIFTY PERCENT OF THE INDUSTRY IN ISTANBUL HAD REDUCED PRODUCTION OR SHUT DOWN AND HE THOUGHT THE ACTUAL FIGURE WAS PROBABLY HIGHER. WITHOUT A STRONG INFUSION OF FOREIGN EXCHANGE, UNEMPLOYMENT WOULD BECOME A SERIOUS PROBLEM WITH ALL THE CONCOMITANT SOCIAL PROBLEMS. HE SAW NO CHANCE TO RESOLVE THE SECURITY PROBLEM IN THE ABSENCE OF A HIGHER RATE OF ECONOMIC ACTIVITY.

3. HE MAINTAINED THAT ECEVIT, DESPITE HIS SUCCESSES ABROAD, HAS LOST CONSIDERABLE SUPPORT BECAUSE OF HIS INABILITY TO GET THE ECONOMY MOVING. ECEVIT, ACCORDING TO HIM, LACKED ECONOMIC EXPERTISE AND HAD, UNFORTUNATELY, NOT APPOINTED STRONG MEN IN THE ECONOMIC SECTOR TO ADVISE HIM. HIS MAJOR CONCERN WAS THAT THE GOVERNMENT ITSELF WAS NOT STRONG ENOUGH TO TAKE THE MEASURES NECESSARY FOR ECONOMIC RECOVERY. ALTHOUGH TO A LESSER EXTENT THAN IN THE CASE OF DEMIREL, ECEVIT WAS LIMITED IN WHAT HE COULD DO BY THE EXTREME LEFT WING OF HIS PARTY AS DEMIREL'S FREEDOM OF ACTION HAD BEEN RESTRICTED BY THE EXTREME RIGHT. AS AN EXAMPLE, HE CITED MINISTER OF ENERGY BAYKAL'S TREATMENT OF MOBIL WHICH HE DESCRIBED AS SHOCKING AND CONTRARY TO TURKEY'S OWN INTEREST. HOWEVER, BAYKAL CONTROLLED 20 RPP MEMBERS OF PARLIAMENT AND, CONSEQUENTLY, CONFIDENTIAL

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PAGE 03 ISTANB 02509 150654Z

THERE WERE LIMITS AS TO HOW FAR ECEVIT COULD RESTRAIN HIM. WHAT WAS REQUIRED WAS A RPP/JP COALITION GOVERNMENT AND THIS APPEARED OUT OF THE QUESTION AS NEITHER DEMIREL NOR ECEVIT WOULD AGREE TO SUCH A GOVERNMENT.

4. UNLESS SOMETHING DRAMATIC HAPPENED BEFORE THE END OF THE YEAR, HE PREDICTED THAT ECEVIT WOULD FALL AND HIS REPLACEMENT BY A MILITARY GOVERNMENT WAS A REAL POSSIBILITY.

5. COMMENT THE PESSIMISM OF OUR FRIEND HAS BECOME A FAMILIAR THEME OF OUR CONVERSATIONS WITH BUSINESSMEN AND SOME PROFESSIONALS. ACCOMPANYING THEIR GLOOMY VIEW IS INCREASED DISCUSSION OF THE POSSIBILITY FOR A MILITARY TAKEOVER. (ALTHOUGH SOMEWHAT OVERDRAWN, THIS SENTIMENT IS WELL DESCRIBED IN AUGUST 8 ISSUE OF "CHRISTIAN SCIENCE MONITOR" BY SAMI KOHEN WHO IS NOT ONLY CSM CORRESPONDENT IN TURKEY BUT ALSO FOREIGN EDITOR FOR TURKEY'S MOST RESPECTED DAILY, "MILLIYET".) EVEN IN THESE QUARTERS THERE CONTINUES TO BE HIGH REGARD FOR THE PRIME MINISTER'S FOREIGN POLICY SUCCESS AND HIS OVERALL QUALITIES AS A LEADER. HOWEVER, THERE

IS A GROWING LACK OF CONFIDENCE THAT HE WILL BE ABLE
TO BRING TURKEY OUT OF ITS PRESENT TRAVAIL ANY TIME
SOON AND, ON THE PART OF SOME, THAT HE CAN DO IT AT
ALL. ATYPICALLY, THIS MALAISE HAS NOT PROMPTED ANY
PERCEPTIBLE INCREASE HERE IN SUPPORT FOR FORMER PRIME
MINISTER DEMIREL AND THE JUSTICE PARTY. ECEVIT SUPPORTERS
ARE NOT DRIFTING AWAY, BUT THERE APPEARS TO BE GROWING
DISAPPOINTMENT IN POLITICIANS' ABILITY TO RESOLVE
NATIONAL PROBLEMS.
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